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*Handwritten signature/initials*

19 AUG 1961

Honorable Arthur J. Goldberg  
Chairman, The President's Task Force  
on Employee-Management Relations  
in the Federal Service  
U. S. Department of Labor  
Washington 25, D. C.

Dear Mr. Goldberg:

This is in response to your letter of 19 July calling for a preliminary report on the steps taken in this Agency to implement the policies contained in the President's recent memorandum on employee-management relations in the Federal Service.

The National Security Act of 1947, which established the Central Intelligence Agency, made the Director of Central Intelligence responsible for the protection of intelligence sources and methods. The Congress recognized that in order to exercise this responsibility this Agency could not be included in the full body of the Federal policy and practice in the personnel management field. Accordingly, the Central Intelligence Agency is exempted from competitive civil service procedures, and is exempt from coverage under the Classification Act and the Performance Rating Act. The broad authority vested in the Director of Central Intelligence to terminate the employment of personnel when such action is deemed advisable in the interests of the United States has, in effect, excluded this Agency from coverage under the appeals provisions of the Veterans Preference Act of 1944, as amended.

Since its inception, the Central Intelligence Agency has of necessity developed a system of personnel management which in several important respects differs from the pattern generally applicable throughout the Federal Service. The unusual requirements intrinsic to the administration of foreign intelligence activities produce unique conditions of employment which among other things obligate a preponderant number of our personnel to

- (a) accept stringent security restrictions which apply both to their official tasks and to their off-duty conduct and relationships;

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(b) maintain anonymity concerning their connection with Agency activities, as well as identification of their immediate tasks; and,

(c) forego recognition by professional groups or associations which are related to the areas of their expertise.

We have had to recognize that in the area of employee-management relations comparable circumstances exist to inhibit, if not to entirely preclude, the functioning along traditional lines of employee unions, employee associations, or other similar organizations.

The Central Intelligence Agency is unable to provide employee organizations the means normally available to them in Federal departments and agencies to conduct membership drives, to engage in organizational activity, to represent individual employees in grievances or other administrative situations or to participate in policy formulation. Our policy does permit most employees to join employee organizations if they wish to do so.

As a result of this perhaps unfortunate but nevertheless necessary handicap to the establishment of employee organizations in this Agency, our relationships with employee associations are extremely limited. My Director of Personnel is responsible for such relationships as do exist, and I have instructed him to uniformly observe the letter and spirit of the President's memorandum of 22 June in carrying out his responsibilities in this regard.

Sincerely,

**SIGNED**

Allen W. Dulles  
Director

Distribution:

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OD/Pers/ [ ] blh (14 August 1961)

*LIBH*  
*CP*  
*(4/16/61)*

Originator:

[ ]  
Director of Personnel

14 AUG 1961

Concur:

[ ]  
A/ Deputy Director (Support)

U. S. DEPARTMENT OF LABOR  
OFFICE OF THE SECRETARY  
WASHINGTON

Executive Registry

71-5951

JUL 19 1961

Honorable Allen W. Dulles  
Director  
Central Intelligence Agency  
Washington, D. C.

Dear Mr. Dulles:

On June 22, 1961, the President issued a memorandum establishing a Task Force to study employee-management relations in the Federal service to all departments and agencies. Among other things, the memorandum directed officials of the various departments and agencies to "maintain relationships only with those employee organizations which are free of restrictions or practices denying membership because of race, color, religion, or national origin."

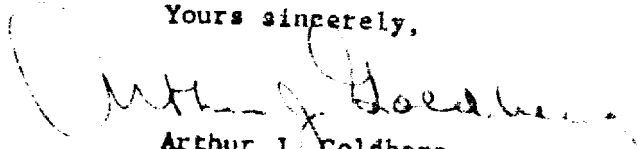
The memorandum also instructed management officials to "refrain from consultation or relationships with organizations which assert the right to strike against or advocate the overthrow of the government of the United States."

These policies are now in effect, and the various departments and agencies of the Government are now prohibited from maintaining relationships or from consulting with employee organizations in the categories described above.

As a first move, all management officials in the Federal service who have relations with employee organizations should call this directive to the attention of such organizations.

I would like, as Chairman of the Task Force, to ask that you let me have at your early convenience a preliminary report on the measures you have taken to implement the policies stated in the President's memorandum. If you have encountered, or if you anticipate, any problems in carrying out this directive, please let me know. I shall be glad to assist you in giving effect to the President's policy.

Yours sincerely,

  
Arthur J. Goldberg  
Chairman, The President's Task Force  
on Employee-Management Relations in  
the Federal Service

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UNCLASSIFIED		CONFIDENTIAL	
SECRET			
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	INITIALS	DATE
1	Inspector General	<i>LBK</i>	<i>18 Aug</i>
2	DDCI	<i>CRK/pen</i>	<i>8/18</i>
3	DCI	<i>CRK/pen</i>	<i>8/18</i>
4			
5			
6			
ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE
Remarks:  1 & 2: For your concurrence.			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
EO/DCI			17 Aug 61


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MEMORANDUM FOR: THE DIRECTOR

The attached proposed letter to Honorable Arthur J. Goldberg, Chairman, The President's Task Force on Employee-Management Relations in the Federal Service outlines in some detail the peculiar problems we face in connection with employee organizations.

These problems have been discussed with the Executive Officer of the Task Force, who was well aware that we could not conform to usual government practices, and has informally approved this letter in draft.

Recommend signature.

  
H. Gates Lloyd  
Acting Deputy Director  
(Support)

16 August 1961

(DATE)

cc: DDCI

FORM NO. 101 REPLACES FORM 10-101  
1 AUG 54 WHICH MAY BE USED.

(47)

MEMORANDUM FOR: Mr. Dulles

A copy of this letter has already been sent to the DD/S for preparation of an appropriate reply for your signature.

  
  
AAB  
25 July 1961  
(DATE)

FORM NO. 101 REPLACES FORM 10-101  
1 AUG 54 WHICH MAY BE USED.

(47)